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FEATURED Q&A

Is Latin America Easing Covid-19 Rules Too Quickly?



Several countries in Latin America have been scaling back restrictions put in place amid the Covid-19 pandemic. // File Photo: Government of Mexico City.

Q Many countries in the Americas have been scaling back Covid-19 restrictions “prematurely,” Carissa Etienne, director of the Pan American Health Organization, said April 6. While 73 percent of the population of South America is vaccinated, Etienne said 240 million people across the Americas still have not received a single dose of a Covid vaccine. Are countries in Latin America and the Caribbean taking the right actions in rolling back restrictions? What is the state of vaccination efforts in the region, and what is holding them back? More than two years into the pandemic, how willing and able are countries in the Americas to implement more stringent health and economic restrictions if cases begin rising again?

A Maria Elena Bottazzi, professor and associate dean of the National School of Tropical Medicine at the Baylor College of Medicine and co-director of the Texas Children's Hospital Center for Vaccine Development: “Vaccination as well as face mask wearing, and other nonpharmaceutical interventions have been crucial for the response to the Covid-19 pandemic. As Pan American Health Organization Director Carissa Etienne highlighted, many in the Americas are yet to receive a single dose, and those who have received a Covid-19 vaccine will require boosters to continue protecting the population against the virus variants of concern. For example, in Central America alone, as of April 8 approximately 20 million people are still waiting to be vaccinated, with Guatemala and Honduras having the highest inequity gap of 10.26 million and 4.76 million unvaccinated people, respectively.

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TODAY'S NEWS

POLITICAL

Nicaragua Says it Has Completed OAS Withdrawal

Nicaragua's government announced that it completed its withdrawal from the Organization of American States, a move that it announced last November following the widely criticized re-election of President Daniel Ortega.

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BUSINESS

Banorte Signs Deal to Study Citibanamex

Grupo Financiero Banorte signed a confidentiality agreement in order to study financial data from Citigroup's consumer banking business in Mexico.

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POLITICAL

El Salvador Extends State of Emergency Amid Gang Crackdown

Salvadoran lawmakers approved a request from President Nayib Bukele to extend a state of emergency, amid a gang crackdown.

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Bukele // File Photo: Salvadoran Government.

POLITICAL NEWS

El Salvador Extends State of Emergency for 30 More Days

El Salvador's Legislative Assembly on Sunday approved a request from President Nayib Bukele to extend a state of emergency that suspends some rights amid the government's crackdown on street gangs, local newspaper La Prensa Gráfica reported. The measure was approved with 67 votes in the unicameral 84-seat assembly, which Bukele's Nuevas Ideas party controls. Salvadoran authorities have used the state of emergency to arrest some 16,000 suspected gang members following a surge in homicides last month, the Associated Press reported. The original 30-day state of emergency, which lawmakers approved on March 27, restricts people's right to gather, to be informed of their rights and to have access to an attorney, the AP reported. It also allows authorities to detain people who have been arrested for as long as 15 days without filing charges against them. While Bukele has said the state of emergency is needed in order to fight gang-related crime, human rights groups have criticized the crackdown, saying many arrests have been arbitrary and have often been

based on locations where people live or on their appearance, the AP reported. "This state violence and arbitrariness will only invoke more violence," Celia Medrano, a San Salvador-based journalist specialized in human rights, told the Advisor in a [Q&A](#) published April 12. "The militarization of public security only shows that there is a lack of a criminal policy that provides sustainable results," Medrano added. Since the state of emergency has been in force, the Legislative Assembly has also extended increases in prison sentences for gang members and leaders, Reuters reported. "We are going to be chasing them until they are brought to justice. We want a country free of gangs," Defense Minister Rene Merino told reporters.

Nicaragua Announces it Has Completed Pullout From OAS

Nicaragua's government announced Sunday that it has completed its withdrawal from the Organization of American States, Reuters reported. The OAS condemned the move, saying it violated international norms and will not go into effect until next year, according to the wire service. The Nicaraguan government also said it had closed the local OAS office and revoked the credentials of several OAS officials

NEWS BRIEFS

Former Honduran President Hernández Has U.S. Court Appearance

Former Honduran President Juan Orlando Hernández had an initial appearance Friday in U.S. federal court in New York following his extradition from Honduras the previous day, the Associated Press reported. Hernández faces drug trafficking and weapons charges and appeared virtually before Judge Stewart D. Aaron who read Hernández his rights and a brief description of the charges facing him. Hernández, who has denied wrongdoing, is expected to enter a plea at his next court appearance on May 10.

Costa Rican Government Refuses to Pay Ransom Following Cyberattack

Costa Rica's government has refused to pay a ransom following a cyberattack that has impaired the government's computer systems as it braced for hackers' publication of stolen information, the Associated Press reported Friday. The Central American country's government did not confirm the group behind the attack, though the Russian-speaking Conti gang has claimed responsibility, the AP reported. "The Costa Rican state will not pay anything to these cybercriminals," said President Carlos Alvarado. [Editor's note: See [Q&A](#) on cybercrime in Friday's Advisor.]

Indigenous Communities End Protest at Southern Copper Mine in Peru

A group of Indigenous communities has ended a protest that had forced a suspension of production at Southern Copper's Cuajone mine in Peru, the government said Friday, Reuters reported. The demonstrations had halted output at the mine for more than 50 days. Earlier in the week, the government had sent soldiers to the area to lift the protest.

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Texas Children's Hospital Center for Vaccine Development (Texas Children's CVD), in partnership with the Public Health Informatics, Computational and Operations Research team at City University of New York recently published in The Lancet Public Health, a simulation in the United States to ascertain the value of using face masks indoors on the basis of different Covid-19 vaccination coverage levels. Our findings support the need to maintain face mask use, especially in locations where vaccine access and coverage is low (below 70 percent coverage). From a societal perspective, the use of face masks was shown to be cost-effective and

cost saving. Considering the unpredictability of the continued appearance of variants of concern, we still need a multiprong approach. Texas Children's CVD is currently working with vaccine manufacturers around the globe to technology transfer a traditional Covid-19 recombinant protein vaccine that can fill the production, accessibility and acceptance gap. Together, building additional global production, increasing the deployment of safe and effective vaccines and maintaining the use of face masks until a short time after achieving above 70 percent vaccination coverage levels will be key to ending this pandemic."

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in the country. The Ortega administration announced last November that it would leave the organization after the OAS General Assembly condemned President Daniel Ortega's re-election on Nov. 7 to a fourth consecutive term. The General Assembly called the election "not free, fair or transparent" adding that it lacked "democratic legitimacy," the Associated Press reported. Nicaragua's government waged a months-long crackdown on opponents in the months leading up to the election, arresting virtually every candidate who could mount a serious challenge to Ortega. The OAS said Ortega's decision to leave the group will not be recognized until the end of next year and that the country will still be considered an active member, Reuters reported. "This is a violation of the most basic international norms ... We demand that the Nicaraguan government respect the obligations that currently govern its relationship with the OAS and with every international organization of which Nicaragua is a part," the OAS said in a statement. [Editor's Note: See related [Q&A](#) in the Feb. 22 Advisor.]

BUSINESS NEWS

Banorte Signs Confidentiality Deal to Study Citibanamex

Mexico's Grupo Financiero Banorte has signed confidentiality agreements in order to study data from Citibanamex unit as it considers buying Citigroup's Mexico consumer banking subsidiary, Spanish daily newspaper El País reported Friday. "This week the data room was opened, which includes the data that we and all those interested have to study," said Banorte CEO Marcos Ramírez, the newspaper reported. "It takes months to start digesting all that type of information, weigh models and see how they are," Ramírez added. After the announcement, Banorte's shares gained 7 percent in Friday's trading in Mexico City. The shares also rose following Banorte's better-than-expected earnings report and comments from executives that Banorte would launch a digital bank, Reuters reported. Banorte is seeking "an even

THE DIALOGUE CONTINUES

Has Venezuela's Economy Started to Turn a Corner?

Q Inflation in Venezuela hit its lowest level in almost a decade in March, finishing the first quarter of 2022 with a rate of 11.4 percent, according to data from the Andean country's central bank. Prices in the country have stabilized, thanks in part to the wider circulation of hard currencies, including the U.S. dollar. Some analysts estimate that Venezuela's economy could grow 20 percent this year due to an increase in hydrocarbon output and the rising global price of oil, Bloomberg News reported. What accounts for the slowdown in consumer price growth in Venezuela, and will President Nicolás Maduro's policies allow for this trend to continue? What are the drivers for economic growth in the Andean country, and can they be sustained in the long term? What sectors would benefit the most from continued economic growth in Venezuela?

A John Price, managing director at Americas Market Intelligence: "The survivability of Chavismo (now in its 23rd consecutive year of power in Venezuela) confounds even the most cynical of political analysts. Stymied by sanctions, shunned by investors and ostracized by democracies, Venezuela's autocracy nonetheless continues to thrive. Following the collapse of oil prices at the end of 2014, most predicted the downfall of President Maduro, a pattern seen for five decades of oil economics.

playing field" against start-ups, said Ramírez. He added that if Banorte sees Citi's terms for the Mexican unit as "convenient," it will resent a proposal to its shareholders and board, Reuters reported. Other banks have also expressed interest in Citibanamex. Spain's Banco Santander is among the potential buyers, El País reported. Last Thursday, Ana Botín, who chairs Santander, met with Mexican President Andrés Manuel

But Maduro and the Chavismo apparatus have endured thanks to Cuban-engineered surveillance, a ruthless military run army of soldiers and gangs who are aligned with the government, devious constitutional chess play and a quasi-criminal form of capitalism greased by the dollar generating activities of oil extraction, informal gold and diamond mining and currency arbitrage that enriches an elite cabal at the expense of most Venezuelans and the environmental devastation of Venezuelan natural resources. High oil prices, buoyed by post-Covid-19 recovery and Russia's invasion of Ukraine, have ushered in record volumes of petrodollars once again to Caracas. Elite neighborhoods are buzzing with flashy new cars and luxury goods. But the party will be short lived, because even the Bolivarian elite are not willing to bet their savings on Venezuela and instead siphon their excesses to places like Miami, New York and Madrid where they buy real estate and cash-churning businesses. As soon as oil prices descend again to earth, Venezuela will be reminded of the fact that its once enviable infrastructure and world-class oil company, PDVSA, have been reduced to a stump, just like Shel Silverstein's sad ending in 'The Giving Tree.' "

EDITOR'S NOTE: The comment above is a continuation of the [Q&A](#) published in the April 18 issue of the Advisor.

López Obrador, El País reported. Santander commented on the meeting only to say Botín met with López Obrador to "reiterate Santander's commitment to Mexico's growth." Since Citi announced in January that it would sell the Mexican unit, potential buyers including Brazil's Itaú Unibanco and Mexican businessman Ricardo Salinas Pliego, who owns Mexico's Banco Azteca, have also expressed interest.

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A **Katherine Bliss, senior fellow at the CSIS Global Health Policy Center:** “Considering the economic disruptions and high rates of Covid-19 infection and mortality the region has experienced since 2020, it is understandable that people are anxious to leave masking and social distancing requirements behind. Proponents point to the fact that at least 63 percent of people in the region are fully vaccinated as reason to reduce public health measures. But there is still a sizable population vulnerable to coronavirus infection. Regional vaccination coverage

“**Regional vaccination coverage rates mask differences between countries as well as internal inequities...**”

— Katherine Bliss

rates mask differences between countries as well as internal inequities, with Indigenous and Afro-descendant populations, along with migrants and refugees, less likely to have accessed the vaccines. And some of the vaccines in distribution are not highly effective, so even people who have been vaccinated may not be well protected against new and future variants. Several experimental Covid-19 therapies have been authorized for emergency use, and generics companies in Mexico, the Dominican Republic and Brazil have worked out agreements with the Medicines Patent Pool (MPP) to produce antiviral pills for regional use. However, production is not likely to scale up until later this year, and to date, few governments in the region have placed orders for the antivirals, which means that people who do become infected may not be able to access them any time soon. For a region struggling with slow economic growth, crowded health centers and chronic health worker shortages, continuing to prioritize equitable access to Covid-19 vac-

cines while expanding access to quality and affordable health care may be better options than rolling back pandemic restrictions.”

A **Eduardo González-Pier, global fellow at the Woodrow Wilson International Center for Scholars and senior technical director**

for health finance at Palladium Group: “The pandemic hit Latin America particularly hard. With few exceptions across the region, governments’ health and fiscal response was equally limited both in scope and depth. Health systems struggled to prevent infections and provide quality medical care to patients, while ministries of finance, labor and economy were unable to articulate and implement economic policies to contain job losses and financially protect families from the economic shock. Poor pandemic management led to dire consequences. By the end of 2020, Latin America was the epicenter of the pandemic, and output had collapsed by 6.9 percent. The inflection point came in 2021. Notwithstanding Omicron, acquired immunity through infection and comparatively high vaccination rates of 70-80 percent significantly reduced excess mortality. In parallel, after the dramatic economic collapse of 2020, growth rebounded to 6.8 percent in 2021. Yet, the economic recovery has been fragile. As countries struggle to reach pre-pandemic levels of GDP, external pressure of energy and food prices have pushed the inflation rate to 8.3 percent, the highest in 15 years in a region with dismal records on price stability. The IMF has revised the 2022 regional growth outlook to 2.4 percent, down from the 3 percent forecast at the end of last year. The pandemic left a practical understanding of the complex tradeoffs between health and economic restrictions. Families emerged emotionally exhausted and financially worn out. Without a strategy to build back health systems and promote economic resilience, governments will face resistance with new lockdowns in the near future.”

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